Approved For Release 2000/08/28 : CIA-RDP78-04133A000100170108-4

2430 "E" Street, N. W. Washington, D. C. September 1953

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Dear Mr.

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Your explanation of what has taken place with respect to the reference change, together with certain filling-in from Mr. , leads the undersigned to conclude that the Contractor is entitled to an extra payment as a result of the said change. However, in order to check the validity of the claim as set forth in letter (undated), copy of which was enclosed in your letter of 29 August 1953, it will be necessary to obtain a detailed breakdown of material and labor costs. This, together with a description of the work involved, for inclusion under "Description of Work" on the Construction Contract Modification form should be forwarded to this Office for issuance of the said form. Your recommendation should also accompany the data submitted. This will serve as a record of the justification for the extra payment authorized.

The deduction item may be included, but should also show cost breakdown.

As to the authorization of the Contractor to proceed with the work, it appears likely that he will argue that he had written instructions to proceed in the form of changes made in the shop drawings. Since this would be difficult to refute, the detailed breakdown becomes more of a requisite in our determining if his price is a fair one.

It is noted that the shop drawing submitted with your letter of 29 August 1953 bears only a receipt stamp of the prime Contractor dated 26 August 1953. This does not constitute adherence to that clause of the specifications referred to the letter of the undersigned dated 14 August 1953. Please see to it that this situation is corrected immediately.

Very truly yours,

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